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July 30, 2008

Honorable Leonard B. Sand
Judge, United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: ***Donoghue v. Local.com Corporation and Hearst Communications, Inc.***
07 Civil 8550 (LBS)/U.S. District Court, S.D.N.Y.

Your Honor:

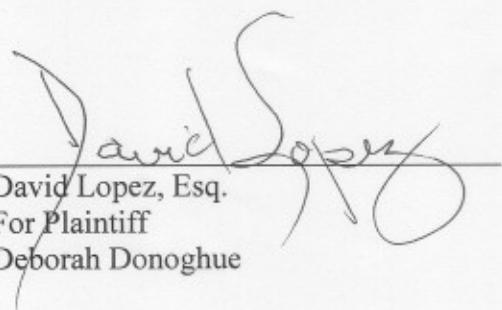
Pursuant to the Court's instructions at the hearing on defendant Hearst Communications, Inc.'s (Hearst's) Motion for Judgment on the Pleadings on March 13, 2008, discovery in this action to date has been limited to the issue of whether Hearst was a more than ten percent owner of the outstanding shares of Local.com on August 1, 2007. Upon completion of discovery on this issue, the Court converted Hearst's Motion for Judgment on the Pleadings to a Motion for Summary Judgment. All briefing on this motion will be completed on August 11, 2008, with the submission of Hearst's reply papers. In addition, Plaintiff concurrently with its opposition to Hearst's Motion for Summary Judgment has cross-moved for summary judgment on one of Hearst's cross-claims (for breach of contract) against defendant Local.com Corporation ("Local.com"). The Court has not yet set a hearing date on the Motion for Summary Judgment or the Cross-Motion.

In addition to its defense that it was not a more than ten percent holder of Local.com on August 1, 2008, Hearst has a number of other defenses to Plaintiff's claims in this action. In addition, Hearst has three cross-claims against defendant Local.com Corporation. Pursuant to the Court's instructions limiting discovery to the ten percent ownership issue, the parties have not yet taken discovery on these other issues. The parties believe that all further discovery should remain stayed pending the resolution of Hearst's Motion for Summary Judgment. The Court's ruling on the Motion may dispose of the case, or, alternatively, clarify the remaining issues. Accordingly, the parties jointly request the Court vacate the current fact discovery deadline of September 15, 2008, and all expert discovery deadlines (no trial date has been set in this action). Upon the Court's disposition of the Motion for Summary Judgment and Plaintiff's Cross-Motion, the parties shall have ten days to submit a new proposed fact and expert discovery deadlines (and any other needed amendments to the current schedule for case events) if further discovery is necessary.

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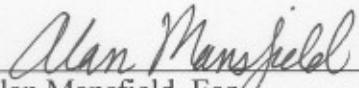
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Counsel for all parties have signed below to evidence their agreement to the request to stay discovery and vacate the September 15, 2008 fact discovery and all expert discovery deadlines.



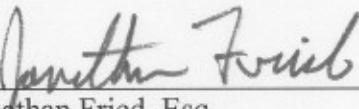
David Lopez, Esq.
For Plaintiff
Deborah Donoghue

Greenberg Traurig, LLP

By: 

Alan Mansfield, Esq.
For Defendant
Hearst Communications, Inc.

Kramer Levin Naftalis & Frankel LLP

By: 

Jonathan Fried, Esq.
For Nominal Defendant
Local.com Corporation

SO ORDERED:

Leonard B. Sand, U.S.D.J.
New York, New York
, 2008